GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:48
ANSWERED ON:23.02.2001
WHOLESALE PRICE INDEX AND INFLATION
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL

Will the Minister of FINANCE be pleased to state:

(a) The details of Wholesale Price Index rate of essential commodities and Consumer Price Index during the last one year and also as on December 31, 2000;

(b) the point to point weekly rate of inflation prevailing during the said period ;

(c) the reasons for continuous rise in price index;

(d) the effect of price hike on petrol and petroleum products; and

(e) the steps being taken by the Government to check the increase in the prices of essential commodities and to contain the rate of inflation?

Answer

Minister of Finance (SHRI BALASAHEB VIKHE PATIL)

(a), (b),(c), (d) & (e) A Statement is laid on the table of the House.

Statement in reply of Lok Sabha Starred Question No. 48 on Wholesale Price Index and Inflation for February 23,2001

The annual rate of inflation in the group of 30 essential commodities based on the Wholesale Price Index (WPI) and the Consumer Price Index for Industrial Workers (CPI-IW) during the last one year is listed below.

Annual Inflation in Essential Commodities (%) Based on

	WPI	CPI(IW)
2000		
Jan	2.7	0.0
Feb	2.0	0.5
Mar	5.4	2.8
Apr	8.1	-0.2
May	7.9	4.5
Jun	7.2	4.0
Jul	6.5	5.2
Aug	4.5	5.0
Sep	3.9	2.2
Oct	5.8	1.9
Nov	5.1	3.1
Dec	5.9	

The point to point weekly rate of inflation during the last one year is listed in Annexure 1.

(c) & (d) Point to point annual inflation rate for the latest available week ended February 3, 2001 is 8.21 percent.The annual price rise in the fuel products group alone is 31.7 percent which accounts for 63 percent of the inflation rate. But for the increase in the administered prices of petroleum products- LPG, kerosene, petrol, diesel -in October 1999 and then twice again during 2000-01, inflation rate would have presently been around 3.61 percent as against the observed 8.21 percent. The adjustment in administered

prices of energy products was absolutely necessary in view of the rise in international prices of crude oil.

(e) Though the global price increase in crude oil had to be translated into increases in administered prices of petroleum products thrice since October 1999 leading to the doubling of inflation rate to 8 percent level during 2000-01, the stability in the prices of primary and manufactured products had a sobering effect on the overall inflation rate.

Government made concerted efforts to keep inflation under control through effective supply management and also through close monitoring of prices and supply of essential commodities. Consequently, wholesale prices of important items of daily consumption like rice, wheat, atta, edible oils, salt and some pulses are presently reported to be lower than last year.